

**INTEGRATED INVESTMENT PORTFOLIO MANAGEMENT SYSTEM AND
METHOD**

Applicant(s) hereby claims the benefit of provisional patent application serial no.
60/238,484, titled "INTEGRATED INVESTMENT PORTFOLIO MANAGEMENT SYSTEM
5 AND METHOD", filed October 6, 2000, attorney docket no. 3271/50P, which is incorporated by
reference herein in its entirety.

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BACKGROUND OF THE INVENTION

The invention disclosed herein relates generally to integrated investment portfolio
15 systems and methods of operation therefor. More particularly, according to one embodiment, the
present invention relates to systems and methods that allows one or more of a user's preferences
to serve as the basis for generating and managing one or more portfolios consisting of one of any
number of investment instruments or financial assets.

In the current financial service marketplace, a large number of investors are being
20 underserved by their financial providers. This lack of service stems from a variety of factors
such as overburdened financial advisors, the fact that many current business models are
transaction oriented -- leading advisors to focus solely on those customers with the greatest
transaction volume, and the fact that financial products have quickly become commodities.

Consequently, from the point of view of investors participating in the investment marketplace, the growing array of investment providers, products, and information can be far too complex, impersonal and overwhelming to interpret without detailed advice and guidance.

A variety of systems and methods have been developed to address these issues in an attempt to simplify the investment process. One method that has been developed by financial institutions allows a user to purchase a group of securities in a single transaction. These groups of securities are typically focused on a particular sector or industry, although they may be more broadly based. Systems such as these combine the benefits of mutual fund investing (diversification and simplicity) with the advantages of stock ownership (tax management and corporate voting rights), while eliminating many of the disadvantages of both. These systems, however, fail to offer the user advanced features such as basing financial asset recommendations upon the profile of a user (e.g., personalization) or integrating the profiling, asset purchase, and portfolio monitoring processes.

Other tools, such as the one described in U.S. Patent No. 6,018,722 entitled "SEC Registered Individual Account Investment Advisor Expert System", provide recommended asset allocations based on risk tolerance, return tradeoffs, time horizon and user experience. Using this system, users are provided with stock recommendations based on up to the minute financial data and economic indicators for securities in the user's portfolio. Recommendations take the form of BUY, BUY/HOLD, HOLD, SELL/HOLD, and SELL. This tool, however, does not provide portfolio tracking tools that allow a user to gauge the relative performance of a portfolio, or individual financial assets contained within a portfolio, over a period of time.

These current systems, therefore, do not provide a "global", or integrated, solution to the problems faced by investors. There is thus a need for an integrated investment portfolio

management system and method that provides an integrated and comprehensive financial solution based on the totality of an investor's financial needs and gives customers greater knowledge, independence and control over both their financial goals and outcomes.

BRIEF SUMMARY OF THE INVENTION

5 The present invention comprises a system and method that integrates the various steps involved in creating and managing one or more investment portfolios, which may be comprised of multiple disparate financial assets. More specifically, the system and method of the present invention allows a user to navigate from need, to insight, to investing and transacting in a logical and straightforward manner.

10 The invention is composed of an integrated computerized investment portfolio management system comprising several integrated software tools. The system comprises an investor profile tool operative to inquire as to a user's preferences to determine at least one of the user's financial needs and goals. An asset allocation tool is used to recommend an asset allocation tailored to at least one of the user's financial needs and goals. A portfolio construction
15 tool is operative to purchase financial assets for inclusion in a portfolio based at least in part on the recommended asset allocation. A fourth tool, a portfolio monitoring tool, monitors at least one of a composition of financial assets within the portfolio and a return generated by the portfolio.

20 The system and method generates a profile for each user of the system, preferably by using one or more questionnaires. The questionnaires allow the system, through the use of specialized subsystems and subroutines, to determine a user's personal attributes such as risk tolerance, time horizon, and life stage. Based upon the profile generated by the system in